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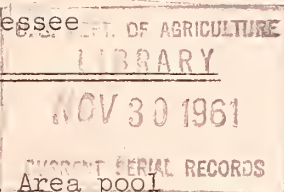
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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
OCTOBER 1961

Volume 6

Number 3

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-ASCS  
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator



MARKET SUMMARY OCTOBER 1961

The MINIMUM uniform producer price is \$4.61 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During October, 73.4% of the total producer milk was priced in Class I at \$5.04 per cwt. with a butterfat differential of 7.9 cents and 26.6% in Class II at \$3.65 per cwt. with a butterfat differential of 7.0 cents. The daily average use of Gross Class I milk decreased 8.4% compared with September 1961 and increased 0.7% compared with October 1960.

Daily average delivery of milk from producers was 484,049 pounds in October 1961, a decrease of 6,578 pounds per day compared with September 1961 and an increase of 22,773 pounds compared with October 1960. Percentage-wise, October deliveries decreased 1.3% compared with September 1961 and increased 4.9% compared with October 1960. The daily average farm delivery was 707 pounds compared with 657 pounds per farm for October 1960. This shows an increase of 50 pounds (5.8 gallons) per farm per day.

NUMBER OF FARM PAYROLL ACCOUNTS

|       | 1960 |     |     | 1961 |     |     |     |     |     |     |     |     |     |
|-------|------|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|       | Oct  | Nov | Dec | Jan  | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
| New   | 6    | 4   | 2   | 2    | 1   | 2   | 3   | 2   | 1   | 1   | 13  | 2   | 5   |
| Quit  | 11   | 7   | 8   | 13   | 3   | 3   | 3   | 2   | 4   | 3   | 4   | 1   | 4   |
| Total | 702  | 699 | 693 | 682  | 680 | 679 | 679 | 679 | 676 | 674 | 683 | 684 | 685 |

MILK SAMPLES TESTED - Producer Fresh Samples 5,991 - Handler Finished Products 244.

During October an average of 8.7 samples per producer was used to determine butterfat content and pay test. Other samples were used to determine water, bacteria, antibiotics, etc. by the plants and various agencies.

OCTOBER 1961 TOTAL CLASS I UNIT SALES 1/ BY 12 POOL AND 4 NON-POOL PLANTS

|                                         | GALS.   | $\frac{1}{2}$ GALS. | QUARTS  | PINTS        | $\frac{1}{2}$ PINTS | PRODUCT LBS. | %-TOTAL |
|-----------------------------------------|---------|---------------------|---------|--------------|---------------------|--------------|---------|
| Standard Milk                           | -       | 6,287               | 9,441   | -            | -                   | 47,332       | .43     |
| Homo Milk                               | 223,774 | 1,087,885           | 420,129 | 389,007      | 2,403,886           | 9,215,911    | 82.93   |
| Skim Milk                               | 8,932   | 22,778              | 89,652  | *            | *                   | 372,568      | 3.35    |
| Buttermilk                              | 7,706   | 157,417             | 175,275 | 21,061       | 17,910              | 1,152,275    | 10.37   |
| Flavored Milk                           | -       | To Quarts*          | 41,055  | 108,837      | 105,373             | 252,393      | 2.27    |
| Cream ( $\frac{1}{2}$ & $\frac{1}{2}$ ) | -       | -                   | 3,419   | 28,687       | 1,884               | 38,747       | .35     |
| Light Cream (X)                         | -       | -                   | 4,634   | -            | 649                 | 10,072       | .09     |
| Heavy Cream (XX)                        | -       | -                   | 1,603   | -            | 23,489              | 15,472       | .14     |
| Sour Cream                              | 179     | -                   | -       | 354          | 11,634              | 7,993        | .07     |
|                                         |         |                     |         | Total Pounds |                     | 11,112,763   | 100.00  |

\* Units omitted. Distributed by less than three handlers.

1/ Includes all unit sales by pool plants and sales "In Area" by non-pool plants.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

|                                                   | <u>Oct. '61</u> | <u>Sept. '61</u> | <u>Oct. '60</u> |
|---------------------------------------------------|-----------------|------------------|-----------------|
| Number of Plants (Pool and Non-Pool)              | 16              | 16               | 18              |
| GROSS RECEIPTS POUNDS (DAILY)                     |                 |                  |                 |
| Producer Milk                                     | 484,049         | 490,627          | 461,276         |
| % Oct. '61 compared with:                         | 100.0           | 98.7             | 104.9           |
| Other Source Milk                                 | 4,962           | 5,717            | 8,778           |
| Other Order Milk                                  | 7,501           | 14,506           | 5,344           |
| <u>TOTAL RECEIPTS MILK POUNDS</u>                 | <u>496,512</u>  | <u>510,850</u>   | <u>475,398</u>  |
| % Oct. '61 compared with:                         | 100.0           | 97.2             | 104.4           |
| GROSS UTILIZATION POUNDS (DAILY)                  |                 |                  |                 |
| Class I Milk:                                     |                 |                  |                 |
| Fluid Milk                                        | 298,814         | 313,619          | 295,972         |
| Fluid Skim                                        | 12,018          | 12,708           | 9,395           |
| Buttermilk                                        | 37,170          | 38,941           | 37,513          |
| Chocolate Milk                                    | 8,142           | 9,171            | 8,351           |
| Cream Mixture ( $\frac{1}{2}$ & $\frac{1}{2}$ )   | 1,250           | 1,316            | 1,066           |
| Light Cream (X)                                   | 325             | 323              | 549             |
| Heavy Cream (XX)                                  | 499             | 549              | 536             |
| Sour Cream                                        | 258             | 267              | 240             |
| Bulk to Non-Handlers                              | 483             | 15,244           | 3,596           |
| Class I Shrinkage                                 | 1,138           | 1,987            | 954             |
| Inventory Reclassification                        | (293)           | (1,298)          | (702)           |
| Overstated Sales                                  | -               | (38)             | -               |
| Total Class I Milk                                | 359,804         | 392,789          | 357,470         |
| % Oct. '61 compared with:                         | 100.0           | 91.6             | 100.7           |
| Class II Milk: (Used to Produce)                  |                 |                  |                 |
| Butter                                            | 11,875          | 9,189            | 10,247          |
| Cottage Cheese                                    | 14,763          | 15,345           | 12,020          |
| Powdered and Condensed Milk                       | 71,282          | 70,863           | 54,658          |
| Ice Cream                                         | 18,109          | 21,228           | 26,175          |
| Inventory Variation                               | 10,260          | (9,634)          | 4,642           |
| Other                                             | 10,419          | 11,070           | 10,186          |
| Total Class II Milk                               | 136,708         | 118,061          | 117,928         |
| % Oct. '61 compared with:                         | 100.0           | 115.8            | 115.9           |
| <u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u> | <u>496,512</u>  | <u>510,850</u>   | <u>475,398</u>  |
| <br>                                              |                 |                  |                 |
| % Producer Milk of Gross Class I                  | 134.5           | 124.9            | 129.0           |
| % Producer Milk Priced in Class I                 | 73.4            | 79.0             | 76.4            |

NOVEMBER 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

|                                                                               | <u>Nov. '61</u> | <u>Oct. '61</u> | <u>Nov. '60</u> |
|-------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| Basic Formula (See page 4)                                                    | \$3.65          | \$3.65          | \$3.69          |
| Plus Class I Differential                                                     | 1.75            | 1.75            | 1.75            |
| Supply-Demand Adjustment                                                      | (0.26)          | (0.36)          | (0.14)          |
| Class I Price, 4.0% Butterfat                                                 | \$5.14          | \$5.04          | \$5.30          |
| <u>Per \$ 1000.51 (a)</u>                                                     |                 |                 |                 |
| Supply-Demand Comparison: 1st and 2nd preceding months: September and October |                 |                 |                 |
| Supply: Lbs. Producer Milk (Sept. 14,718,820 and Oct. 15,005,526)             |                 |                 | 29,724,346      |
| Demand: Lbs. Net Class I Milk (Sept. 11,682,710 and Oct. 11,039,037)          |                 |                 | 22,721,747      |
| Utilization Percentage: Producer milk divided by Class I                      |                 |                 | 131             |
| Standard Utilization Percentage: Range 114-118                                |                 |                 | 118             |
| Net Deviation Percentage: Utilization minus Standard Utilization              |                 |                 | plus 13         |
| Supply-Demand Adjustment: 2 cents x 13 percentage points                      |                 |                 | minus \$0.26    |

Since the supply in relation to the demand is more than the desired standard, the price is decreased 26 cents per hundredweight (2 cents x 13 percentage points).



COMPUTATION OF UNIFORM PRODUCER PRICE FOR OCTOBER 1961  
Based on 16 plant reports prior to audit

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|                                                    | Class<br>% | Milk<br>Pounds | Butterfat<br>Test-% | Cwt. Price<br>@ Test | Value        |
|----------------------------------------------------|------------|----------------|---------------------|----------------------|--------------|
| Gross Class I                                      |            | 11,153,922     | 3.539               |                      |              |
| Less Other Source                                  |            | 138,596        | 1.994               |                      |              |
| Producer Milk Class I                              | 73.4       | 11,015,326     | 3.558851            | \$4.691492           | \$516,783.14 |
| Gross Class II                                     |            | 4,237,944      | 6.204               |                      |              |
| Less Other Source                                  |            | 247,744        | 1.945               |                      |              |
| Producer Milk Class II                             | 26.6       | 3,990,200      | 6.468172            | 5.377720             | 214,581.78   |
| TOTAL PROD. (Cl. I + Cl. II)                       | 100.0      | 15,005,526     | 4.332484            |                      | 731,364.92   |
| Less Fractional Adjustment                         |            |                |                     |                      | .01          |
| Add Compensatory Payment Value                     |            | 16,485         |                     | 0.43                 | 70.89        |
| Add Overage Value                                  |            |                |                     |                      | 21.67        |
| Add Inventory Reclassification Value               |            |                |                     |                      | 39.10        |
| Add $\frac{1}{2}$ Producer-Settlement Fund Reserve |            |                |                     |                      | 5,287.57     |
| TOTAL VALUE AT TEST                                |            | 15,005,526     | 4.332484            |                      | 736,784.14   |
| Less Test Over 4% @ 7.6¢ per point                 |            | 15,005,526     | .332484             | 0.252688             | 37,917.16    |
| TOTAL VALUE AT 4.0%                                |            | 15,005,526     | 4.0                 | 4.657397             | 698,866.98   |
| Less Producer-Settlement Fund Reserve              |            | 15,005,526     |                     | .047397              | 7,112.17     |
| UNIFORM PRICE f.o.b. POOL PLANT - 4%               |            | 15,005,526     | 4.0                 | \$4.61               | \$691,754.81 |

OCTOBER 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

| TEST | PRICE  | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   |
|------|--------|------|---------|------|---------|------|---------|------|---------|
| 3.0  | \$3.85 | 3.6  | \$4.306 | 4.2  | \$4.762 | 4.8  | \$5.218 | 5.4  | \$5.674 |
| 3.05 | 3.888  | 3.65 | 4.344   | 4.25 | 4.80    | 4.85 | 5.256   | 5.45 | 5.712   |
| 3.1  | 3.926  | 3.7  | 4.382   | 4.3  | 4.838   | 4.9  | 5.294   | 5.5  | 5.75    |
| 3.15 | 3.964  | 3.75 | 4.42    | 4.35 | 4.876   | 4.95 | 5.332   | 5.55 | 5.788   |
| 3.2  | 4.002  | 3.8  | 4.458   | 4.4  | 4.914   | 5.0  | 5.37    | 5.6  | 5.826   |
| 3.25 | 4.04   | 3.85 | 4.496   | 4.45 | 4.952   | 5.05 | 5.408   | 5.65 | 5.864   |
| 3.3  | 4.078  | 3.9  | 4.534   | 4.5  | 4.99    | 5.1  | 5.446   | 5.7  | 5.902   |
| 3.35 | 4.116  | 3.95 | 4.572   | 4.55 | 5.028   | 5.15 | 5.484   | 5.75 | 5.94    |
| 3.4  | 4.154  | 4.0  | 4.61    | 4.6  | 5.066   | 5.2  | 5.522   | 5.8  | 5.978   |
| 3.45 | 4.192  | 4.05 | 4.648   | 4.65 | 5.104   | 5.25 | 5.56    | 5.85 | 6.016   |
| 3.5  | 4.23   | 4.1  | 4.686   | 4.7  | 5.142   | 5.3  | 5.598   | 5.9  | 6.054   |
| 3.55 | 4.268  | 4.15 | 4.724   | 4.75 | 5.18    | 5.35 | 5.636   | 5.95 | 6.092   |

MILK BASE RULES

The following rules shall apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
  1. All base transfers shall be signed by the person transferring base and the person receiving base.
  2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

## CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

| Month    | PRODUCER UNIFORM PRICES <sup>1/</sup> |        |        |         | HANDLER CLASS PRICES <sup>1/</sup> |         |          |         |
|----------|---------------------------------------|--------|--------|---------|------------------------------------|---------|----------|---------|
|          | Per Hundredweight                     |        |        |         | Class I                            |         | Class II |         |
|          | Uniform                               | Base   | Excess | Bf.Dif. | Cwt.                               | Bf.Dif. | Cwt.     | Bf.Dif. |
| Oct. '60 | \$4.74                                | -      | -      | 7.6¢    | \$5.19                             | 8.0¢    | \$3.52   | 7.0¢    |
| Nov.     | 4.85                                  | -      | -      | 7.6     | 5.30                               | 7.9     | 3.55     | 7.1     |
| Dec.     | 4.84                                  | -      | -      | 7.6     | 5.29                               | 8.0     | 3.50     | 7.0     |
| Jan. '61 | 4.96                                  | -      | -      | 7.6     | 5.43                               | 7.9     | 3.50     | 7.0     |
| Feb.     | 4.96                                  | -      | -      | 7.6     | 5.43                               | 7.9     | 3.21     | 7.0     |
| Mar.     | 4.73 <sup>2/</sup>                    | \$4.89 | \$3.17 | 7.6     | 5.29                               | 7.9     | 3.21     | 7.0     |
| Apr.     | 4.56 <sup>2/</sup>                    | 4.78   | 3.15   | 7.6     | 5.26                               | 7.9     | 3.19     | 7.0     |
| May      | 4.43 <sup>2/</sup>                    | 4.65   | 3.09   | 7.6     | 5.14                               | 7.9     | 3.13     | 7.0     |
| June     | 4.51 <sup>2/</sup>                    | 4.69   | 3.07   | 7.6     | 5.16                               | 7.9     | 3.11     | 7.0     |
| July     | 4.58 <sup>2/</sup>                    | 4.76   | 3.06   | 7.6     | 5.20                               | 7.9     | 3.10     | 7.0     |
| Aug.     | 4.55                                  | -      | -      | 7.6     | 5.20                               | 7.9     | 3.10     | 7.0     |
| Sept.    | 4.67                                  | -      | -      | 7.6     | 5.00                               | 7.9     | 3.65     | 7.0     |
| Oct.     | 4.61                                  | -      | -      | 7.6     | 5.04                               | 7.9     | 3.65     | 7.0     |
| Nov.     | -                                     | -      | -      | -       | 5.14                               | 7.9     | -        | -       |

## PRICES USED IN DETERMINING CLASS PRICES

| Month    | AVERAGE QUOTATIONS |                   |                     |                 | ALTERNATIVE FORMULAS<br>(\$-cwt-4%) |        |        |                      | Highest<br>or Basic<br>Formula<br>\$-cwt-4% |
|----------|--------------------|-------------------|---------------------|-----------------|-------------------------------------|--------|--------|----------------------|---------------------------------------------|
|          | Mid-West<br>Cond.  | Chi.92°<br>Butter | Chi.Area<br>Powders | Wisc.<br>Cheese | Mid-West<br>Cond.                   | Butter | Butter | 4 Tenn.<br>Milk Mfg. |                                             |
|          | \$-cwt-3.5%        | ¢ Lb.             | ¢ Lb.               | ¢ Lb.           | Cond.                               | Cheese | Powder | Milk                 |                                             |
| Oct. '60 | 3.311              | 60.773            | 13.085              | 37.750          | 3.69                                | 3.38   | 3.52   | 3.25                 | 3.69                                        |
| Nov.     | 3.402              | 61.470            | 13.150              | 37.750          | 3.78                                | 3.41   | 3.55   | 3.25                 | 3.78                                        |
| Dec.     | 3.440              | 60.491            | 13.130              | 37.750          | 3.82                                | 3.37   | 3.50   | 3.25                 | 3.82                                        |
| Jan. '61 | 3.415              | 60.466            | 13.190              | 36.750          | 3.80                                | 3.35   | 3.50   | 3.25                 | 3.80                                        |
| Feb.     | 3.240              | 60.460            | 13.180              | 33.938          | 3.62                                | 3.30   | 3.50   | 3.21                 | 3.62                                        |
| Mar.     | 3.228              | 60.466            | 13.120              | 34.700          | 3.61                                | 3.31   | 3.50   | 3.21                 | 3.61                                        |
| Apr.     | 3.230              | 60.466            | 14.325              | 34.625          | 3.61                                | 3.31   | 3.58   | 3.19                 | 3.61                                        |
| May      | 3.188              | 60.466            | 14.615              | 34.344          | 3.57                                | 3.31   | 3.61   | 3.13                 | 3.61                                        |
| June     | 3.122              | 60.466            | 14.820              | 34.250          | 3.50                                | 3.31   | 3.61   | 3.11                 | 3.61                                        |
| July     | 3.154              | 60.466            | 14.865              | 34.375          | 3.53                                | 3.31   | 3.61   | 3.10                 | 3.61                                        |
| Aug.     | 3.173              | 60.466            | 15.120              | 34.750          | 3.55                                | 3.31   | 3.65   | 3.10                 | 3.65                                        |
| Sept.    | 3.182              | 60.466            | 15.105              | 35.025          | 3.56                                | 3.32   | 3.65   | 3.10                 | 3.65                                        |
| Oct.     | 3.189              | 60.466            | 15.125              | 35.250          | 3.57                                | 3.32   | 3.65   | 3.14                 | 3.65                                        |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

| Month    | GROSS MILK 3/ |         |         | PRODUCER MILK 3/ |         |         |       | Deliveries Per |      |        | Prod. |
|----------|---------------|---------|---------|------------------|---------|---------|-------|----------------|------|--------|-------|
|          | No.           | Total   | Class I | Class I          | Total   | Base    | No.   | Farm----       |      | Pounds | Milk  |
|          | Hdlrs.        | Receipt | Use     | Use              | Receipt | Receipt | Prod. | Prod.          | Base | Exc.   | Test% |
| Oct. '60 | 18            | 475,398 | 357,470 | 352,238          | 461,276 | -       | 702   | 657            | -    | -      | 4.32  |
| Nov.     | 18            | 473,586 | 357,816 | 350,520          | 456,896 | -       | 699   | 654            | -    | -      | 4.41  |
| Dec.     | 19            | 462,660 | 348,283 | 341,170          | 441,649 | -       | 693   | 637            | -    | -      | 4.47  |
| Jan. '61 | 19            | 453,461 | 348,486 | 342,735          | 438,370 | -       | 682   | 643            | -    | -      | 4.46  |
| Feb.     | 19            | 459,303 | 356,369 | 350,556          | 441,509 | -       | 680   | 649            | -    | -      | 4.32  |
| Mar.     | 19            | 491,471 | 358,734 | 354,390          | 470,370 | 425,350 | 679   | 693            | 626  | 67     | 4.22  |
| Apr.     | 19            | 524,548 | 344,138 | 339,543          | 500,275 | 433,660 | 679   | 737            | 639  | 98     | 4.17  |
| May      | 19            | 543,235 | 335,018 | 330,864          | 499,424 | 430,079 | 679   | 736            | 633  | 103    | 4.17  |
| June     | 17            | 527,227 | 326,883 | 322,856          | 460,325 | 409,710 | 676   | 681            | 606  | 75     | 4.16  |
| July     | 16            | 466,850 | 321,059 | 316,817          | 437,786 | 391,221 | 674   | 650            | 580  | 70     | 4.11  |
| Aug.     | 16            | 482,411 | 331,307 | 326,824          | 455,734 | -       | 683   | 667            | -    | -      | 4.10  |
| Sept.    | 16            | 510,850 | 392,789 | 387,810          | 490,627 | -       | 684   | 717            | -    | -      | 4.10  |
| Oct.     | 16            | 496,512 | 359,804 | 355,333          | 484,049 | -       | 685   | 707            | -    | -      | 4.33  |

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base